

PROJECT EXAMPLE

Decent work promotion and income generation through capacity development in the Hanassi Dairy Cooperative

CONTEXT OF THE EXAMPLE

The **district of Tabacounda** is located in a developing country which is slowly progressing in human development and has experienced relative economic growth and political stability over the past decade. Despite these positive national trends, the district of Tabacounda still faces a number of development challenges such as unequal distribution of income, limited access to education and health, gender inequality and high youth unemployment. Young people are inclined to migrate to urban areas and generally do not consider agriculture an attractive employment opportunity. The district economy relies mainly on agriculture and suffers from low public and private investment and poor infrastructure; half of the sector's output remains at subsistence level. Farmers frequently form cooperatives that provide mainly supply and marketing services to their members. Processing of primary produce by cooperatives is not well developed in the district.

Hanassi Cooperative is a dairy cooperative. It has 750 members, including women and young people. The members bring their milk to the cooperative's five collection centres twice a day. The collection centres transport the milk in cans to the main cooperative collection site, from which it is sold to the one and only dairy processing plant in the district. The cooperative employs a manager and an accountant. The president, vice-president and management board members are elected and do their work on a voluntary basis. All leadership and management functions are filled by men.

The Hanassi cooperative aims to alleviate poverty among its members through a sustainable increase in income from cow's-milk production. In the next chapters, we will come to understand how the cooperative can develop and implement such a plan and thereby meet members' needs and aspirations.

PROBLEMS FACED BY THE COOPERATIVE

On top of the challenges posed by the broader context, the cooperative faces problems in its interaction with other agents, and suffers from internal problems:

Livestock disease. The high incidence of livestock disease has reduced the income of dairy farmers. The lack of veterinary services and skills, as well as the impossibility of farmers getting insurance against such hardship, means that some have turned to alternative means of livelihood. This has resulted in fewer transactions between the members and the cooperative and thus in falling turnover for the cooperative.

Dormant member base. Members, especially young people, are dropping out or have become inactive, which threatens the democratic governance and economic viability of the cooperative. Will the cooperative be able to survive in the long run without young members?

Insufficient equipment. The cooperative does not have cooled storerooms nor sterilizing facilities to prevent the milk from getting spoiled. Nor does the cooperative have the equipment to produce butter, cream, yoghurt or cheese. Accordingly, the cooperative misses out on income-generating opportunities.

Inadequate management, entrepreneurial and technical skills. Hanassi is highly dependent on its main buyer and has not ventured into additional business opportunities or diversification of activities. Its management board is not sufficiently versed in business management and entrepreneurship. Members' technical skills in production of milk products are not well developed.

****Taken from the *ITC-ILO's project design manual: A STEP-BY-STEP TOOL, to Support the Development of COOPERATIVES and other Forms of SELF-HELP ORGANIZATIONS***

Gender and youth inequality. The declining income for dairy farmers particularly affects women and young members, who have fewer qualifications and generally face more difficulties in accessing business services. Women lack assets due to the inheritance law. Young people also have difficulty obtaining credit. Furthermore, despite their efforts, women and young people are not represented in cooperative leadership and management functions such as the management board and committees.

Limited social investment. The cooperative used to invest in the social well-being of its members and their communities by financing health centres, school fees and the rehabilitation of farm-to-market roads. Due to the lack of surplus generated by the cooperative, members cannot decide to invest in such projects any more.

STAKEHOLDERS INVOLVED

Several players in the district are concerned by the performance of the Hanassi cooperative, among them:

- the members, in particular the women and young cattle farmers and their households as well as the cooperative leaders;
- the employees of the cooperative (the manager and the accountant);
- the dairy processing plant, the local supermarkets, and other enterprises involved in the dairy value chain;
- the communities where economic activity and social well-being is influenced by the cooperative, including youth who are not members of the cooperative and seek for income generating activities;
- the Tabacounda vocational training centre, which is a branch of the Cooperative College in the capital, is responsible for providing training programmes to cooperative members, managers and leaders on cooperative education, technical skills as well as cooperative management and entrepreneurship training;
- the microfinance institutions, including saving and credit cooperatives, which wish to expand and diversify their client/user portfolio;
- the local government, which is responsible for implementing the district regulatory framework and providing basic services and infrastructure to the population;
- the Ministries of Agriculture, Industry and Commerce and of Health, which, through their local departments or through the local government, should guarantee equal access to their services and promote the socio-economic development of the district;
- the national union of dairy cooperatives, which provides business services to its primary society members and is a member of the national confederation of cooperatives;
- the national confederation of cooperatives, which seeks to promote the sustainable development of cooperatives and to voice cooperative interests at the national policy level, as well as internationally through its membership of the International Co-operative Alliance.